

**HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN  
HOWARD COUNTY RETIREMENT PLAN**

**JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES**

**June 29, 2017**

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, June 29, 2017 at 9:00 a.m. in the Columbia/Ellicott City Room at the George Howard Building, 3430 Court House Drive, Ellicott City, Maryland 21043.

**Police and Fire Plan:**

**Members Present:**

Human Resources Administrator: Wanda Hutchinson  
Chief Administrative Officer: Lonnie Robbins (arrived 9:15)  
Budget Administrator: Holly Sun (arrived 9:20)  
Representative, Fire and Rescue Supervisory Employees:  
    Vincent Baker (Voting Member in Fiscal Year 2017)  
Representative, Police Department Supervisory Employees:  
    Jason Luckenbaugh (Non-Voting Member in Fiscal Year 2017)  
Representative, International Association of Firefighters, Local 2000:  
    Richard Ruehl

**Members Absent**

Director of Finance: Stanley Milesky  
Representative, Howard County Police Officers' Association, Lodge 21:  
    Mark Thomey

**Employees Plan:**

**Members Present:**

Human Resources Administrator: Wanda Hutchinson  
Chief Administrative Officer's Designee: John Peterson  
Deputy Director of Finance: Rafiu Ighile  
Budget Administrator: Holly Sun (arrived 9:20)  
Employee Representative: Jeff Bronow  
Representative, American Federation of State, County and  
    Municipal Employees Local 3080: Kim Drennon  
Representative, American Federation of State, County and Municipal  
    Employees Local 3085: Dale R. Chase

### Members Absent

None

Also present for all or a portion of the meeting were:

Sima Taghavi, Department of Finance  
Eric Ralph of Summit Strategies Group  
Mary Claire Chesshire, Whiteford, Taylor & Preston L.L.P.  
Teresa M. Reider, Retirement Coordinator  
Nike Yahaya, Retirement Aide, Office of Human Resources  
Gary Kuc, Howard County Solicitor

Wanda Hutchinson acted as Chair of the Meeting and Mary Claire Chesshire acted as Secretary.

The meeting was called to order at 9:05 a.m. The discussion regarding proxy voting was tabled until the next meeting due to the absence of Stanley Milesky.

Wanda Hutchinson advised the Committees that the amendment to remove the "remarriage penalty" under the Police and Fire Employees Retirement Plan was pre-filed and a hearing is scheduled for July 17.

Eric Ralph then conducted the Risk Analysis Training deferred from the June 1, 2017 meeting. Eric provided an overview of the different types of risk that influences investment decisions, in particular, principal, default, liquidity, capital market, and opportunity cost risks. Eric addressed the real and perceived liquidity risk of the portfolio. Eric reminded the Committee that the liquidity of the portfolio is checked each year to verify that liquidity is not in excess of the target. An asset/liability study is conducted every three to five years and Eric and Paul Madden review the Investment Policy Statement annually.

Eric also reviewed for the Committees the risks in the portfolio that aid in enhancing investment returns. In particular, credit risk, interest rate risk/duration, illiquidity risk, and leverage were all reviewed. Eric also reviewed the concept of the standard deviation, maximum drawdown, and relative performance volatility and how those analyses drive investment decisions. Eric applied the different theories to the portfolio's current investments, including a review of the investment allocation versus the policy benchmark. For example, the investment in Brown Capital is riskier, but Brown Capital has earned 7.4% over its benchmark since inception. Brown Capital is an example of being willing to accept a higher tracking error with good results.

For the Plans' current portfolio, the tracking error is 0.55%.

The Committees then unanimously approved the minutes of the June 1, 2017 Joint Meeting of the Committees.

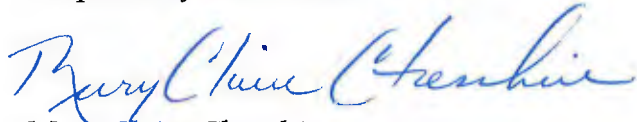
At 10:23 a.m., a motion was made by Jason Luckenbaugh and seconded by Richard Ruehl to close the meeting pursuant to General Provisions Article § 3-305(b) to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosure about a particular matter or proceeding. Wanda Hutchinson, Lonnie Robbins, Holly Sun, Vincent Baker, Jason Luckenbaugh, and Richard Ruehl voted in favor of the motion. Stanley Milesky and Mark Thomey were absent, there were no abstentions or negative votes.

At 10:25 a.m., a motion was made by Dale Chase and seconded by Rafiu Ighile to close the meeting pursuant to General Provisions Article § 3-305(b) to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosure about a particular matter or proceeding. Wanda Hutchinson, John Peterson, Rafiu Ighile, Holly Sun, Jeff Bronow, Dale Chase and Kim Drennon all voted in favor of the motion, there were no negative votes, abstentions or absences.

During the closed session, Greenspring Associates and Adveq representatives discussed the investment philosophy and performance of funds that they manage.

At 12:10 p.m., upon motion duly made and seconded, the meeting members voted unanimously to adjourn the meeting.

Respectfully submitted,



Mary Claire Chesshire  
Secretary of the Meeting